Southern Farmer Issue

The Southern PATRIOT

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The Southern Farmer: What Future?

He doesn't own the land he tills.

His income is about a third that of the Southern city worker; about half that of the Nation's farmer.

His children have poor schools.

His family works long hours in the fields.

His health is bad and there are no doctors or hospitals within easy reach.

His home is old beyond repair.

His farm is too small, his implements too few, to provide a decent living.

His livelihood depends on the shaky cotton market, threatened with disaster.

His life is run by feudal-minded landlords; his Constitutional rights are only in the books.

He must have land, his own land.

He must have government help in buying that land.

He must have easier credit for diversifying crops, buying farm equipment, setting up cooperatives.

He must have federal aid for education, health and housing.

He must have organization—fighting for his interests.

He must have markets for his crops assured by full employment in the cities.

He must have the backing of progressive movements in the cities based on common interest, not pity.

He must have freedom—the right to vote, to decide his own future.

Nature Has Not Made The South For Peonage

The backward, poverty-stricken farms in the South, with 40% of the Southern people living on them, pull down the living standards of the entire region.

If you line up the thirteen Southern states according to the percentage of workers engaged in farming, Mississippi will be at one end with 59% of its workers on the farms, and Florida at the other end with 20%. If you then line them up according to the average *per capita* income, all thirteen states will be in exactly the same order—Mississippi having the lowest income, $205 per person, and Florida, with least farmers, the highest, $472.

The poor farms and poor farmers of the South not only pull down the Southern per capita income—they cut directly into the pocketbooks of Southern city-dwellers and threaten their democratic rights. The low productivity of Southern farms means frequent food scarcities and skyrocketing prices. The poor farmer, looking for a better life in town, helps drive wages down. And the poverty, ignorance and lack of democratic organization in rural areas provides fertile soil for Bilbos and Talmadges.

Nature has not made the South for peonage; it could be the Nation's garden spot. It has a third of the Nation's land in farms, 60% of the Nation's land with 40 inches annual rainfall, 50% of the Nation's crop land six months without frost, half the Nation's farmers. With this rich natural endowment, it imports food and is still underfed. Based on national *per capita* consumption, the South has an annual shortage of 121 million gallons of milk; a shortage of 18.5 million pure-bred cattle; a shortage of 70 million dozen eggs.

Behind poverty, root of the evil, persists the old plantation system. Challenged and changed in much of Europe since the war, a feudal land system cannot remain a permanent part of a vitally democratic United States.

W. F. Will sharecropped last year on the land of R. Bruce Doughty, Representative in the Alabama State Legislature. After a year of cotton-toil, after his crop had been sold by Doughty (under Alabama law the landlord has legal rights to the cotton produced by the sharecropper) Will asked for the proceeds of his year's labor. Doughty told Will he was $53 in debt (the landlord keeps the books). Will wanted to leave, so somehow he scraped up the money and offered it to Doughty. But Doughty refused it, said by then the debt had increased to $110. Somehow—cash money is scarce in the Black Belt—Will scraped up the extra $57 and took it to Doughty. Again Doughty refused to take it. So Will left the farm in Reform and went to Cordova, about 70 miles away. He was followed by four men, who beat him and brought him back to Reform.

This is peonage, "involuntary servitude," says the Department of Justice who arrested Doughty. But for every arrest, how many Doughtys go free? And how many Wills don't manage to scrape up the money, and have to stay in bondage? And how many dare risk the beatings?

This is the stuff sharecropping is made of. There will never be any lasting economic prosperity or secure political democracy in the South until the plantation system, relic of slavery, is replaced by independent family-sized, owner-operated farms. A government program to give every Southern farmer "forty acres and a tractor" should be the goal of everyone fighting for the welfare of the South.

Real Life on the Farm

Ignorant of farm life, city folks usually believe that, despite low farm cash income, rural families almost always eat well, live in roomy homes and enjoy better health than their urban neighbors. None of this is true in real life despite the profusion of "Carry me back to Ole Virginny" songs and legends.

Malnutrition is the rule on the Southern countryside, especially among tenant farmers whom the landlord compels to plant every available inch in cash crops. Lack of refrigeration and poor kitchen equipment make for a poor diet, too. A thorough government study of this problem concluded:

"Good diet is dependent largely on income available for purchasing food . . . Farm operators as a whole in the Southeast have poorer diets than those in the North and West . . . About one-half the Negro farm families of the Southeast have poor diets."

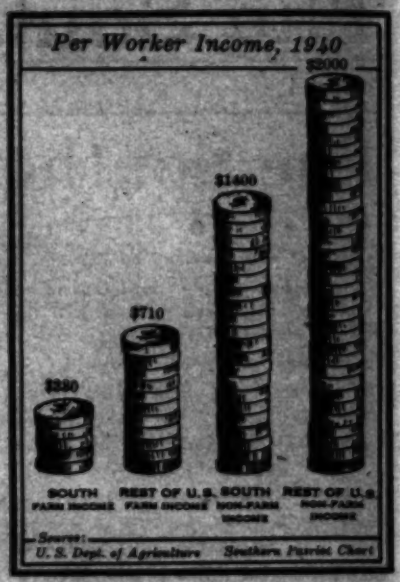
The health picture is naturally no more encouraging. Of every 100 American farm boys examined for military service, 41 were rejected for bad health. The Southern rural figure is undoubtedly much higher, since Southern health rejection figures for all selectees exceeded the rest of the Nation's by about 50%.

Rural health standards used to be considered much higher than urban, but increased medical services, facilities and personnel have greatly improved city health standards. Since 1900 the death rate in cities has declined more than 50%, while that in the country has dropped only 32%.

Typical is the situation revealed by a physicians' investigation of 43,000 families connected with the FSA's program in Texas and Oklahoma. More than 16,000 cases of serious illness occurred during the year but, worse yet, less than half of them received any medical care at all. One of every three women had been unattended in childbirth by a physician.

The Census tells the housing story. In 1940 a sorry 13.6% of Southern rural homes were classed "acceptable" by the federal government; 27.8% were "repairable". More than half, 58.6%, were "non-repairable." With almost no building during the past six years, today's picture is plain. Averages for the rest of rural America in 1940 were 52.5% "acceptable"; 31.8% "repairable"; 24.3% "non-repairable."

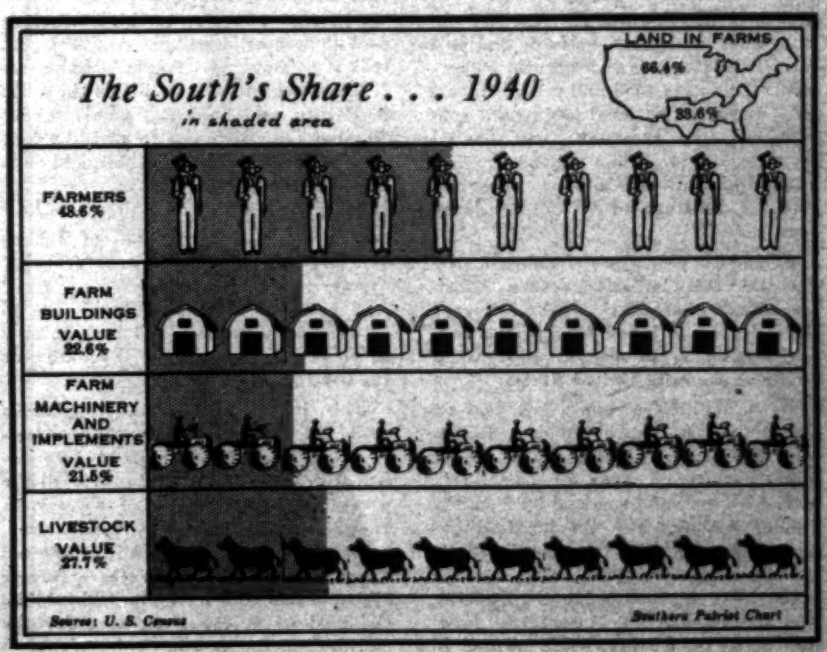
Money talks plainly. The 1940 Census reveals that the average value of the rural Southern home was $646 compared to $1728 in the rest of the country. Only 16.4% of Southern farm homes had electricity against 46.7% in the Nation. A disgraceful 4.9% had inside toilets; 15% had no toilets whatever.



And the farmer's land is in the same sad state as his home. The soil, too, suffers from the one-crop system. Cotton, tobacco and corn greedily consume the soil's natural fertility. Fields planted to them year after year wash away much more quickly than those where legumes are rotated with cash crops. Yet six of every ten acres of Southern cropland are planted continuously in these three crops because that's where the quick money is.

As a result, 61% of the Nation's badly eroded land is in the South, an expanse as large as the entire state of South Carolina, gullied and washed out. More than 22 million acres have been ruined beyond repair, an area as large as Oklahoma and Alabama has been severely damaged.

The irony of the situation is that the poor Southern farmer can't afford soil conservation. No matter how much preaching there is about the disastrous consequences of present cultivation practices, the fact is that most Southern farms are so small the farmer is forced, year by year, to use every foot of the land for quick cash crops. And the tenants—half the South's farmers—have no tenure, little incentive to protect the soil or plant cover crops. On the contrary, they are compelled, in order to survive, to mine the soil for every penny of immediate cash return.



What About King Cotton?

Cotton is king on about two-thirds of the million and a half farms in the South. Nine million people, or nearly one-third of the Nation's farm population, are dependent on cotton for all or most of their income.

The livelihood of millions of these Southern farmers faces a three-pronged threat:

Threat one: the mechanical cotton picker and the flame thrower for controlling weeds promise to displace and make homeless hundreds of thousands of Negroes and poor whites.

Threat two: competition from rayon and cotton, developed as cotton substitutes during the war, has made serious inroad into the cotton market.

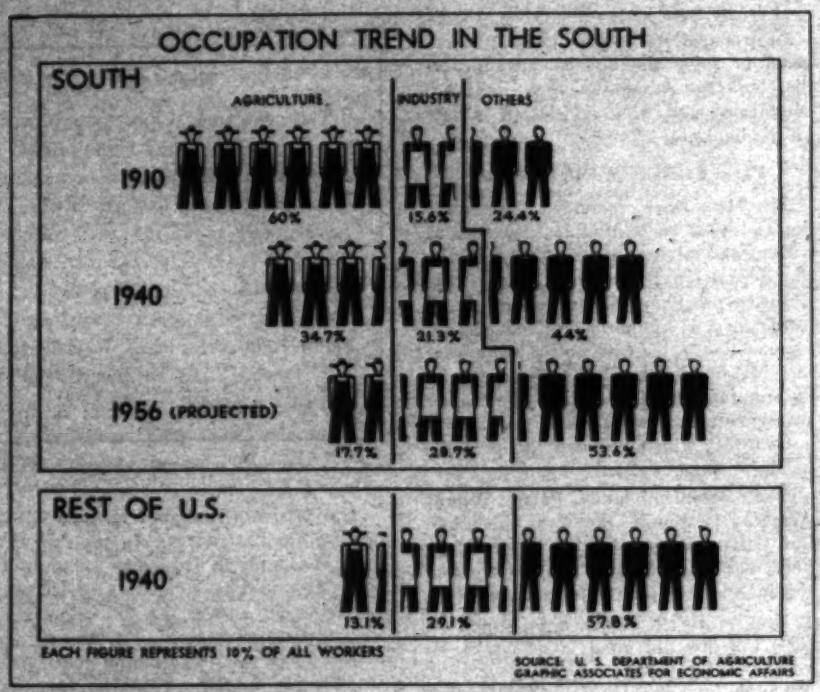
Threat three: America's position in the world cotton market is seriously challenged by cotton produced far more cheaply abroad.

Mechanization fast approaches. Arthur Raper, Bureau of Agricultural Economics expert, estimates that the labor needed to farm cotton on the plains of Texas and Oklahoma will be reduced 59% by 1950. He predicts that 1,600,000 farm workers will have left Southern farms between 1940 and 1956, a figure which does not include families.

Typical of the answers so far suggested for the jobless farmers comes calmly from *Life Magazine*: "It has been suggested that they might be reduced to living on reservations like Indians". Others propose wholesale government-sponsored migration to Alaska, or the establishment of huge migrant camps. But the real answer is essentially the same as that for all farmers: *land ownership.*

Give the migrant farmer an opportunity to freehold land equal to the needs of a diligent family, and afford him credit opportunities to capitalize his holdings sufficient to make a living. Migrant camps are temporary, uneconomic palliatives which deprive the farm family of all social stability. FSA farms proved without a doubt that, given a little capital, small family farmers become self-sufficient and productive. And they become profitable sources of income for the Federal government as well. Today FSA farmers are 68% ahead of schedule in repayment of loans.

But not only is the future uncertain for millions of sharecroppers; the whole cotton economy is dangerously unstable.



Production of cotton in the United States during the last several years has averaged around 12 million bales. Cotton acreage has steadily decreased, but yield per acre has doubled since the 1920's, keeping total production fairly constant. But American peacetime capacity to consume cotton is estimated at between 6.5 and 7.5 million bales.

The position of the cotton grower has long been shaky. More cotton has been grown than could be used or sold profitably, even during the war. The government assumed the burden, paying far higher prices to farmers for their cotton than the law of supply and demand would bring. But this subsidy program, which means government accumulation of larger and larger unused cotton surpluses, cannot continue indefinitely.

Meanwhile, the two outlets for the surplus—foreign markets and new domestic uses—appear blocked. Foreign production has been increasing constantly and reserve stocks of foreign cotton were about 14 million bales a year ago. And American cotton, at pegged prices, cannot meet the price of foreign cotton on the open market. Nor can cotton at high prices compete with rayon and paper in such uses as tire fabric, towels, tissues, napkins, window shades, plastics, twine and bags.

Yet, if the government removes its price supports, millions of cotton farmers would be ruined. This is what the Oscar Johnsons, the largest cotton kings, propose. With their mass production methods and large volume, they could make profits with cotton at five or six cents a pound and such a low price would wipe out the competition of millions of small farmers.

The Department of Agriculture has proposed a cotton reconversion plan under which farmers would be encouraged and aided to reorganize Southern agriculture. On farms suited to efficient cotton production with modern methods, attention would be centered on larger and more intensive cotton production. In other areas, farmers would be aided to reorganize their farms for less cotton, more food, feed and livestock. Payments would be made to these farmers during their conversion.

Meanwhile, cotton would be sold at competitive world prices both at home and for export; cotton incomes would be supported while necessary, not by pegging the price but by direct payments to farmers.

A real solution to the cotton problem also requires and would help secure a better balance between agriculture and industry in the South, as projected in the chart above.

First Steps in Federal Legislation

In preparation for working out a program to solve the South's agricultural ills, let's see what the New Deal accomplished and what legislation is now on the books.

Farm Security Administration

The New Deal responded to popular demand that something be done about widespread misery in farm areas during the depression by launching the Farm Security program. Help was given the small farmer in increasing his capital, his machinery, his cattle, and in improving his buildings. Likewise, loans to tenant farmers for raising themselves to owner status were made possible by a Congress which realized the pressing need for easy credit.

The Bankhead-Jones Farm Tenant Act was a step in the right direction, but the actual number of loans it has been making to tenants has not equaled the increase of tenants annually.

Despite its inadequacy to stem the tide, the law did open up the way toward an increase in farm ownership. Through its provisions the government made direct loans to "farm tenants, farm laborers, sharecroppers and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations." Loans are available "in such amount as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon."

Forty Years to Repay

Two significant aspects of the loans are that amortization was spread over a period of 40 years, and interest rates were 3 percent. Large repayments on the loans may be made in good years, and small repayments during poor years.

Borrowers are required to maintain their property in good repair, keep it insured and practice good husbandry.

Highly Inadequate, However

But the Bankhead-Jones act is highly inadequate. Attempts at reform of Southern agriculture through such measures have only scratched the surface of the problem.

During ten years of operation, the Farm Security Administration has loaned slightly over $200 million to nearly 39,000 farmers throughout the whole Nation. But this ten-year figure does not equal one year's increase of farm tenants! For the Nation the average annual increase in tenants was 40,000 through 1940. Accurate figures on the wartime trend are not yet available.

Waste

This summer, while Southern housewives paid sky-high prices for fruits and vegetables, farmers were offered such low prices during the peak season that they were forced to let tons of cabbage, tomatoes, peas and potatoes rot in the fields. The answer is cooperative canneries and increased government loans to farmers to make them possible.

The program, then, of the Farm Security Administration has pointed the way, but it needs expansion a hundredfold. It would have to be expanded tenfold simply to stem the tide of ownership transferring from operator to absentee owner each succeeding year. And in order to increase Southern farmers' standard of living, the program in the South would have to touch a hundred where it has touched only one in the past.

What has actually happened, however, is that year by year the coalition of Wall Street and the decadent plantation-owning caste has sought to render Farm Security Administration impotent by cutting away appropriations for its work. The laws remain on the books, but the reactionaries have permitted FSA to give only pitiably limited actual help to the farmers.

Farmers Home Administration Act

After a whole year of wrangling in the Congress, during which time several attempts were made practically to liquidate FSA and leave nothing in its place, Congress emerged with the Farmers Home Administration Act and President Truman signed it into law August 14, 1946. Although it abolishes FSA, it sets up the FHA. Nothing new was added except that farm mortgages in private banks can now be insured by the government, and interest rates were raised from 3 to 3.5 percent on the long-time loans.

Yet it is a definite victory for progressive farm legislators. For it now definitely puts Congress on record as behind the program to restore tenants to their own land. The short-term loans, previously made through Farm Credit Administration, are also placed under the Administration of the FHA, but no substantial changes were made in their provisions.

Veterans

Certain loosening up of the eligibility requirements are made for disabled veterans. They need not be actual tenants with farm experience, and the farm they desire to purchase need not be of a specific size recommended by the FHA, so long as FHA thinks it is possible for the veteran to live on the farm with help from his pension.

Cooperatives

Borrowing under the new law will permit as legitimate expense of the farmer a purchase of membership in a cooperative organization. And for the small farmer who owns his own land, but still needs money to increase the size of farming operations, the new act provides for making loans to "assist borrowers in making repairs, and improvements to adjust their farming operations to changing conditions." This authorizes a program of major significance since the enlargement of family farm units to efficient operating size is one of the prime needs of the small farmer.

As far as agriculture in the South is concerned, the most important single legislative stand which S.C.H.W. members and groups can urge their representatives to take is support of substantially increased appropriation to the Farm Home Administration and extension of all the farm tenancy provisions.

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A Program for Democracy in Southern Agriculture

The welfare of the Southern farmer, and of the South and the Nation, demands the end of the plantation system which keeps the South poverty-stricken and millions of Negro and white Southerners in virtual peonage. Southern farmers need one thing most: **secure ownership of the land they till.**

Any government program to serve the farmers' interest must be directed toward the goal of a land of family-sized farms. The farm operator and his family must have control over their resources and operations, have a farm big enough to provide a decent standard of living and small enough so the family can do the work without hired help or child labor.

These measures are needed:

Farm Ownership

Government action with the development of family-sized farms as its aim would call for purchase of large units of land, division of them into economically-sized units and resale to farmers at long-time low interest rates at a price based on the long-time earning power of the land.

Meanwhile, the Farmers Home Administration program must be extended, its appropriation increased many fold. The Bankhead Jones Tenant Purchase Act, which now allows a maximum of 7,000 purchases a year, must be drastically broadened.

Credit

Interest rates for farmers range up to 40% in the South. Adequate low-cost credit must be provided all farmers so they can acquire not only land but sufficient machinery, livestock, fertilizer and housing to enable them to change from cotton to diversified crops. Only government insured and sponsored credit agencies can do this job.

The GI Bill of Rights must be amended to remove the farm loan program from private hands and provide for direct government loans to veterans wishing to buy farms. Under the present provision, large numbers of veterans have been unable to find banks willing to extend credit.

Cooperatives

Individually the Southern farmer cannot afford a tractor, a cotton-picking machine, a first class bull. Producer cooperatives which own or rent equipment under government or union sponsorship offer a great resource. For example, Southern food producers need to own cooperative canneries to assure a profitable market. Private credit facilities being what they are in the South, a successful cooperative program needs government assistance.

Tenants and Sharecroppers

While the security and dignity of land ownership is the only real answer to the ills of tenancy, immediate steps must be taken to improve the life of the sharecropper, now a virtual slave without legal rights. Written contracts must be required between landlord and tenant; outrageous credit rates must be outlawed; the tenant must have the right to sell his own crop, buy supplies where he wishes. The Federal government must clamp down on plantation landlord peonage.

Farm Laborers

Farm laborers and migratory workers, now excluded from their benefits, must be covered by the provisions of the Federal Wage and Hour Act, the Federal Unemployment Compensation law and the National Labor Relations Act.

Social Welfare

Health, housing and educational standards, low throughout the South, are particularly depressed in rural areas. The Federal Aid to Education Bill, the General Housing Bill, Senator Hill's Rural Telephone Bill, must all be passed —as well as an increased program of public works creating schools, hospitals, libraries, farm-to-market roads. Rural electrification must embrace the whole South.

Political Democracy

All of us can help, but the political pressure of white and Negro farm workers themselves is indispensable for making this program a reality. Voting restrictions, in force all over the South, are most rigid in farm areas. With cash cruelly scarce, millions of Southern farmers legally permitted to vote cannot pay their poll taxes. In most rural Deep South areas, Negroes are not only forbidden to vote and hold office; they are kept in a state of virtual slavery. This is the political foundation of the plantation system.

Federal and state anti poll tax laws must be passed, anti-lynching legislation must be passed, the Supreme Court's decision outlawing white primaries must be enforced. In short, democracy must come to the Southern countryside.

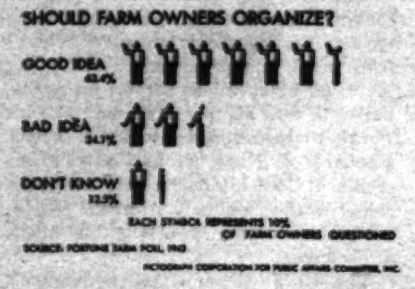
This program, desperately needed by the South and the Nation, will remain on paper until farmers gain strength through organization and until other Southern groups, including labor unions, realize that their own interests demand more attention, study and action on farm problems.

More than 70% of the farmers in the United States are not in any agricultural organization. This percentage in the South is much higher.

Yet farmers recognize the need for organization, and in the past, during the Populist days, the overwhelming majority of Southern farmers, Negro and white, were organized in the militant Farmers Alliance.

Today, the largest farm organization in the South is the American Farm Bureau Federation, largely reflecting the interests of the big farmers. Closely linked nationally with big business through the U. S. Chamber of Commerce and the National Association of Manufacturers, the Farm Bureau has fought the Farm Security Administration, best friend of the Southern small farmer and tenant; has even fought food subsidies.

The Farm Bureau gained strength in


SHOULD FARM OWNERS ORGANIZE?
GOOD IDEA 65.4%
BAD IDEA 34.1%
DON'T KNOW 12.3%
EACH STANDS FOR 10% OF FARM OWNERS QUESTIONED
SOURCE: FORTUNE DAIRA POLL, 1940

the South largely because of federal assistance and support, both from the Extension Service of the Department of Agriculture, and from the Triple A, which was virtually administered through the local Farm Bureau offices. (See Public Affairs Pamphlet No. 100, *Small Farms and Big Farms*, by Carey McWilliams).

The small farmer, realizing that he will get no help from the Farm Bureau, is increasingly interested in the aggressive, practical program of the National Farmers Educational and Cooperative Union. Copies of this program are available from the Union's headquarters, 3501 East 46th Street, Denver, Colorado.

Program of the Large Landowners

The large landholders of the South also have a program for Southern agriculture. It calls for wiping out the small family-sized farm owner, reducing him to the piteous standard of the agricultural sharecropper or day laborer.

Allied closely with and supported by the National Association of Manufacturers and the United States Chamber of Commerce, the large "farmers," who in reality are mostly absentee landholders like Talmadge in Georgia, are as opposed to the small family farmer as they are to the city worker and his industrial union.

The large "farmers" want:

1) Cheap, migratory labor, available only when needed once or twice a year, poorly paid and unorganized.

2) Large tenant classes, kept in subjugation by feudal financial practices and peonage systems. Here, among the large number of Negro and white farm workers, is an extension of the old slave economy.

3) Abolition of the small family type farmer, whose competition, when aided by proper machinery, is too great to allow monopoly control of farm produce prices.

Corporation Farming Not Efficient

The monopoly farmers have tried to convince the American public that their type of agriculture is more "efficient" than small family farming. Affording the small independent farmer an opportunity to own his own land, increase his working capital, and provide a better standard of living through government credit at low interest rates, has been called by the monopoly interests "wasteful" and contrary to efficient methods of farming.

The U. S. Chamber of Commerce's Agriculture Committee proposes that the lower fourth of the farms in this country no longer be considered farms and be excluded from federal farm programs:

"The low-income group exceeds a million and a half farm families (or more than a fourth of all farm families). Although these farms are definitely of the family type . . . which are supposed to be the backbone of the Nation, they are economic and social liabilities."

Yet the Bureau of Agriculture Economics has found that family-farming is much more efficient, and that corporation farming is "wasteful" of human resources, land and agricultural products. Tenant systems, in addition to the human misery they cause, militate against care of the soil and preservation of natural resources.

The accompanying chart showing a study made in California of two communities, gives some indication of the striking difference between absentee-ownership—factory farming—and family owned, independent farming.

It is true that the use of tractor, combine, mechanical picker, flame thrower and every other modern technological advance is needed in American agriculture. But modern methods need not mean factories in the field with exploited labor—and certainly modern methods are excluded under the plantation system. With an FSA-type government program as outlined in the previous pages, small farmers can be given the technical knowledge and credit for buying modern equipment to guarantee the most efficient farming.

The Answer

The answer, as has previously been pointed out, is more and more FSA—multiply FSA by one hundred or more. But increase in family ownership and providing the small farmer with the means for efficient production is not the only solution. A further problem lies in the direction of marketing and producer cooperatives. At present, the U. S. Department of Agriculture informs us, middlemen and monopoly profits take 59% of the dollar spent on Farm Produce. Establishment of producer cooperative sheds, canneries, packing houses, warehouses, gins, mills and trucking companies will allow greater returns to the farmer and increased productivity.

Government aid to farmer cooperatives, not only in distribution of electrical power to farmers but in other phases of agriculture activity, has its precedent in the TVA "experimental" cooperatives established in scattered sections of the Tennessee Valley.

Another historic advance in legislation is included in one small provision of the new Farm Home Administration Act which allows farmers to borrow money for membership fees in cooperatives.

The two towns are located in the Central Valley of California and enjoy approximately the same proximity to markets, soil, climate, rainfall, population and other factors necessary to agricultural communities.

But Town A is a community in which the prevalent type of ownership of the land is vested in corporations. One landlord in Town A owns and controls nearly ten times the land owned by a single farmer in Town B. Most farmers in Town A are non-owning farmers: they sharecrop, rent, or work by the day for another owner. In Town B, the opposite is true. The community is composed of owners of land and home; the workers are farmers who own their own land, and in the majority, do not work for another.

Compare the community assets. Note that Town B has more banks, businesses, newspapers, churches, clubs; better housing; less juvenile delinquency; increased participation in democratic control of its local affairs.

	ARVIN (LARGE FARMS)	DINUBA (SMALL FARMS)
POPULATION	6,300	7,800
TRIBUTARY TRADE AREA (APPROX.)	70,000 ACRES	77,000 ACRES
BANKS	NONE	TWO
NEWSPAPERS	ONE	TWO (one vigorous, a real force in the community)
ALL BUSINESS ESTABLISHMENTS	60	156
SCHOOLS	ONE GRAMMAR SCHOOL (no high school)	Four grammar schools (one high school)
LOCAL GOVERNMENT	COUNTY ONLY	Incorporated, elects own local officials
SERVICE AND COMMERCIAL CLUBS	TWO	FIVE
FRATERNAL AND WOMEN'S CLUBS	NONE	SEVEN
VETERANS' ASSOCIATIONS	NONE	TWO
CHURCHES	SIX (only three are adequately housed)	Fourteen (mostly substantial and in good condition)
HOUSING	Very poor; houses badly crowded on small lots; very few brick or other permanent buildings	Modest but generally adequate; most houses on lots of 50x120 ft.; lawns, trees, etc.
YOUTH AND JUVENILE DELINQUENCY	Fairly serious, few recreational opportunities	Almost nonexistent, numerous recreational facilities

PHOTOGRAPH CORPORATION FOR PUBLIC AFFAIRS COMMITTEE, INC.

Small Farmer and Labor Interests Coincide

Farmers are fast discovering that a great deal more money is paid out for what the industrial worker eats than he, the farmer, ever receives for what he grows. Likewise, the city worker knows full well that when he buys food, about 60% of the money he shells out goes to the processors, middlemen and food speculators. Out of the 40% the farmer realizes, he must pay costs on growing the produce. Only a pittance is left for him and his family.

Several sample items have been chosen to illustrate this point in the accompanying chart.

When city workers buy $1.00 worth of	The farmer himself actually receives
Bread	13c
Milk	55c
Eggs	77c
Butter	68c
Corn Flakes	11c
Potatoes	50c
Beef	56c
Spinach	39c
Carrots	31c
Canned Peaches	14c
City workers pay $10.00	Farmers get $4.20

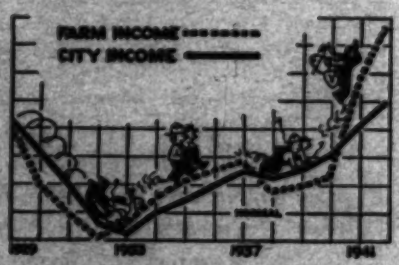
The take out profit for the middleman works both ways, of course. No farmer is so independent that he does not have to buy things made by the industrial worker. When the farmer buys a piece of farm machinery, so necessary today to successful farming operations, how much of his dollar reaches the working man?

The accompanying chart illustrates the division among management, middlemen, railroads and workers, of one dollar paid by the farmer for equipment:

$1.00 worth of farm equipment goes to:	
Materials	43c
Retailer	21c
Manufacturer's profit	15c
Overhead	11c
Wages	8c
Freight	2c
	$1.00

These facts, prepared from U. S. Government data by UAW-CIO Education Department, provide the answer to those who seek to keep farm and city workers divided and fighting against each other's programs. Actually, farm income and income of industrial workers necessarily are part of the same picture.

Cash receipts from agricultural marketings follow invariably wage receipts from industrial labor. How much, and at what price, the farmer sells, depends



on his market, and his big market is the city worker. When city workers receive salaries, the farmer prospers; when unemployment prevails, the farmer faces severe shortages in cash income, and consequent lower standards of living. Without cash he still can eat, but he eats poorly, and his children go without clothes, shelter, education, recreation and medical care.

Any progressive farm stand, then, includes the fight for full employment.

Monopolies Against the Farmer

The same monopolies that operate against the interests of the industrial worker and the people at large, also operate against the farmer. Just as the price on foods for the industrial worker receives boosts far beyond what the farmer actually gets, so does farm equipment, bought by the farmer, get its price pegged by the big farm equipment monopolies, one of the tightest industrial monopolies going.

The Federal Trade Commission reported after a survey of the farm implement combinations: "Domination of the farm implement and machinery industry by a few leading manufacturers has resulted in the maintenance of the prices of their products at levels far higher than those of farm products . . . There are few if any commodities, in the opinion of the Commission, in which manufacturers receive such large proportions of the farmer's dollars."

Farmers' income may drop, but farm machine prices just roll along year in and year out.

The nearly one million veterans who told the Army information specialists that they desired to settle down on a farm after the war are faced with problems identical to those of the great farm populations. They need land and they need money to use it productively.

The Veterans Committee of the National Farmers Union at the Union's national convention in Topeka last March proposed: "Remove the farm loan program from private hands and make the Farm Security Administration responsible for an adequate government program that includes:

"Loans on a forty-year basis with two percent interest; loans up to $20,000 to secure a family-sized unit capable of sustaining the veteran; ten-year optional loans up to $10,000 at three percent interest; loans to re-finance existing mortgages and re-evaluation clauses upon demand of the veteran; graduated land tax and absentee landlord holdings tax to provide more land for veterans . . ."

At present, the liberalization of the original Bankhead Jones Act, previously mentioned on page 4 as the Farmers Home Administration Act, provides a general liberalization of credit for *disabled* veterans. But the provisions hardly apply to the one million veterans returned to farms as reported by the Department of Agriculture in August of this year. They still are expected to receive their credit through private lending agencies, as provided for in the Servicemen's Readjustment Act of 1945 (G. I. Bill of Rights). That such lending agencies frown on loans to veterans has become commonplace knowledge, and a source of deep dissatisfaction among farm veterans, who presently are holding on merely through their unemployment compensation.

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